

ECONOMIC AND FISCAL IMPACT STATEMENT**(REGULATIONS AND ORDERS)**

,TD. 399 (REV. 12/2008)

See SAM Section 6601 - 6616 for Instructions and Code Citations

DEPARTMENT NAME Food and Agriculture	CONTACT PERSON Thami Rodgers	TELEPHONE NUMBER (916) 698-3276
DESCRIPTIVE TITLE FROM NOTICE REGISTER OR FORM 400 Bovine Trichomonosis Control Program		NOTICE FILE NUMBER Z-2010-0921-17

ECONOMIC IMPACT STATEMENT**A. ESTIMATED PRIVATE SECTOR COST IMPACTS (Include calculations and assumptions in the rulemaking record.)**

1. Check the appropriate box(es) below to indicate whether this regulation:

- | | |
|--|---|
| <input checked="" type="checkbox"/> a. Impacts businesses and/or employees | <input type="checkbox"/> e. Imposes reporting requirements |
| <input checked="" type="checkbox"/> b. Impacts small businesses | <input type="checkbox"/> f. Imposes prescriptive instead of performance |
| <input type="checkbox"/> c. Impacts jobs or occupations | <input checked="" type="checkbox"/> g. Impacts individuals |
| <input type="checkbox"/> d. Impacts California competitiveness | <input type="checkbox"/> h. None of the above (Explain below. Complete the Fiscal Impact Statement as appropriate.) |

h. (cont.) _____

(If any box in Items 1 a through g is checked, complete this Economic Impact Statement.)

2. Enter the total number of businesses impacted: attached Describe the types of businesses (Include nonprofits.): Cattle producers and owners.Enter the number or percentage of total businesses impacted that are small businesses: attached3. Enter the number of businesses that will be created: 0 eliminated: 0Explain: This proposal does not affect the creation or elimination of businesses.4. Indicate the geographic extent of impacts: ☒ Statewide ☐ Local or regional (List areas.): _____5. Enter the number of jobs created: 0 or eliminated: 0 Describe the types of jobs or occupations impacted: This proposal does not affect the creation or elimination of jobs.

6. Will the regulation affect the ability of California businesses to compete with other states by making it more costly to produce goods or services here?

☐ Yes☒ No

If yes, explain briefly: _____

B. ESTIMATED COSTS (Include calculations and assumptions in the rulemaking record.)1. What are the total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime? \$ attached

- | | | |
|---|--------------------------------|--------------|
| a. Initial costs for a small business: \$ _____ | Annual ongoing costs: \$ _____ | Years: _____ |
| b. Initial costs for a typical business: \$ _____ | Annual ongoing costs: \$ _____ | Years: _____ |
| c. Initial costs for an individual: \$ _____ | Annual ongoing costs: \$ _____ | Years: _____ |
| d. Describe other economic costs that may occur: <u>None.</u> | | |

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

2. If multiple industries are impacted, enter the share of total costs for each industry: _____

3. If the regulation imposes reporting requirements, enter the annual costs a typical business may incur to comply with these requirements. (Include the dollar costs to do programming, record keeping, reporting, and other paperwork, whether or not the paperwork must be submitted.): \$ attached

4. Will this regulation directly impact housing costs? ☐ Yes ☒ No If yes, enter the annual dollar cost per housing unit: _____ and the number of units: _____

5. Are there comparable Federal regulations? ☐ Yes ☒ No Explain the need for State regulation given the existence or absence of Federal regulations: This proposal pertains to disease control pursuant to Food & Agricultural Code 9562 and 10610.

Enter any additional costs to businesses and/or individuals that may be due to State - Federal differences: \$ 0

C. ESTIMATED BENEFITS (Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. Briefly summarize the benefits that may result from this regulation and who will benefit: Cattle producers, owners, and the public
benefit from this proposal by allowing additional tests for bovine trichomonosis control in the state.

2. Are the benefits the result of: ☐ specific statutory requirements, or ☒ goals developed by the agency based on broad statutory authority?
Explain: Attached

3. What are the total statewide benefits from this regulation over its lifetime? \$ Attached

D. ALTERNATIVES TO THE REGULATION (Include calculations and assumptions in the rulemaking record. Estimation of the dollar value of benefits is not specifically required by rulemaking law, but encouraged.)

1. List alternatives considered and describe them below. If no alternatives were considered, explain why not: No alternatives were considered or
presented to the Department at this time. This proposal pertains to disease control pursuant to Food and Agricultural
Code sections 9562 and 10610.

2. Summarize the total statewide costs and benefits from this regulation and each alternative considered:

Regulation:	Benefit: \$ _____	Cost: \$ _____
Alternative 1:	Benefit: \$ _____	Cost: \$ _____
Alternative 2:	Benefit: \$ _____	Cost: \$ _____

3. Briefly discuss any quantification issues that are relevant to a comparison of estimated costs and benefits for this regulation or alternatives: _____

4. Rulemaking law requires agencies to consider performance standards as an alternative, if a regulation mandates the use of specific technologies or equipment, or prescribes specific actions or procedures. Were performance standards considered to lower compliance costs? ☐ Yes ☒ No

Explain: Attached

E. MAJOR REGULATIONS (Include calculations and assumptions in the rulemaking record.) Cal/EPA boards, offices, and departments are subject to the following additional requirements per Health and Safety Code section 57005.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

1. Will the estimated costs of this regulation to California business enterprises exceed \$10 million ? ☐ Yes ☒ No (If No, skip the rest of this section.)

2. Briefly describe each equally as an effective alternative, or combination of alternatives, for which a cost-effectiveness analysis was performed:

Alternative 1: _____

Alternative 2: _____

3. For the regulation, and each alternative just described, enter the estimated total cost and overall cost-effectiveness ratio:

Regulation: \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 1: \$ _____ Cost-effectiveness ratio: \$ _____

Alternative 2: \$ _____ Cost-effectiveness ratio: \$ _____

FISCAL IMPACT STATEMENT

A. FISCAL EFFECT ON LOCAL GOVERNMENT (Indicate appropriate boxes 1 through 6 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

☐ 1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code. Funding for this reimbursement:

☐ a. is provided in _____, Budget Act of _____ or Chapter _____, Statutes of _____

☐ b. will be requested in the _____ Governor's Budget for appropriation in Budget Act of _____
(FISCAL YEAR)

☐ 2. Additional expenditures of approximately \$ _____ in the current State Fiscal Year which are not reimbursable by the State pursuant to Section 6 of Article XIII B of the California Constitution and Sections 17500 et seq. of the Government Code because this regulation:

☐ a. implements the Federal mandate contained in _____

☐ b. implements the court mandate set forth by the _____
court in the case of _____ vs. _____

☐ c. implements a mandate of the people of this State expressed in their approval of Proposition No. _____ at the _____
election; (DATE)

☐ d. is issued only in response to a specific request from the _____
_____, which is/are the only local entity(s) affected;

☐ e. will be fully financed from the _____ authorized by Section _____
(FEES, REVENUE, ETC.)
_____ of the _____ Code;

☐ f. provides for savings to each affected unit of local government which will, at a minimum, offset any additional costs to each such unit;

☐ g. creates, eliminates, or changes the penalty for a new crime or infraction contained in _____

☐ 3. Savings of approximately \$ _____ annually.

☐ 4. No additional costs or savings because this regulation makes only technical, non-substantive or clarifying changes to current law regulations.

ECONOMIC AND FISCAL IMPACT STATEMENT cont. (STD. 399, Rev. 12/2008)

☒ 5. No fiscal impact exists because this regulation does not affect any local entity or program.

☐ 6. Other.

B. FISCAL EFFECT ON STATE GOVERNMENT (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

☐ 1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year. It is anticipated that State agencies will:

☐ a. be able to absorb these additional costs within their existing budgets and resources.

☐ b. request an increase in the currently authorized budget level for the _____ fiscal year.

☐ 2. Savings of approximately \$ _____ in the current State Fiscal Year.

☒ 3. No fiscal impact exists because this regulation does not affect any State agency or program.

☐ 4. Other.

C. FISCAL EFFECT ON FEDERAL FUNDING OF STATE PROGRAMS (Indicate appropriate boxes 1 through 4 and attach calculations and assumptions of fiscal impact for the current year and two subsequent Fiscal Years.)

☐ 1. Additional expenditures of approximately \$ _____ in the current State Fiscal Year.

☐ 2. Savings of approximately \$ _____ in the current State Fiscal Year.

☒ 3. No fiscal impact exists because this regulation does not affect any federally funded State agency or program.

☐ 4. Other.

FISCAL OFFICER SIGNATURE

DATE

AGENCY SECRETARY¹

DATE

APPROVAL/CONCURRENCE

PROGRAM BUDGET MANAGER

DATE

DEPARTMENT OF FINANCE²

APPROVAL/CONCURRENCE

1. The signature attests that the agency has completed the STD.399 according to the instructions in SAM sections 6601-6616, and understands the impacts of the proposed rulemaking. State boards, offices, or department not under an Agency Secretary must have the form signed by the highest ranking official in the organization.

2. Finance approval and signature is required when SAM sections 6601-6616 require completion of Fiscal Impact Statement in the STD.399.

ATTACHMENT
STD. 399 ECONOMIC AND FISCAL IMPACT STATEMENT

Economic Impact Statement

A. Estimated Private Sector Cost Impacts

2. Total number of businesses impacted: This proposal amends the regulations to allow producers and veterinarians the choice of using either the proposed quantitative Polymerase Chain Reaction (qPCR) test, or the existing culture test, for the detection of trichomonosis in cattle.

Trichomonosis testing is required for all bulls 18 months of age and older imported into the State. The Department maintains records on the total number of breeding bulls 18 months of age and older imported into the State (1,756 bulls for 2009), the number of separate interstate shipments consisting of breeding bulls (229 separate shipments for 2009), and the number of out of state businesses (218 Pasture to Pasture Permits for 2009) moving bulls into CA for grazing purposes and returning to their state of origin at the end of the grazing season (1,509 bulls on Pasture to Pasture Permits). These numbers represent the approximate total number of bulls (3,265 bulls) imported into CA requiring trichomonosis testing and the approximate number of out of state business (447 businesses) owning the bulls and who could choose to use the proposed qPCR test.

Trichomonosis testing is also required for the testing of bulls in affected and exposed herds in CA. The Department is unable to determine the number of tests specific to bulls in the affected and exposed CA herds or the number of business represented. The Department maintains records of the total number of specimens submitted to the laboratory for trichomonosis testing (6,443 specimens for 2009). This number represents the volume of trichomonosis testing by CA producers and veterinarians for surveillance and regulatory purposes submitted through the California Animal Health and Food Safety Laboratory system. This number does not consider the number of trichomonosis tests conducted in private laboratories.

Although it is unknown how many CA producers (businesses) will in the future choose to use the proposed qPCR test verse the existing culture test, the Department anticipates that the number of routine trichomonosis tests will remain constant as periodic testing is recommended as a good herd management practice. Additionally, the number of trichomonosis tests for bulls entering CA from other states should remain constant. The number of retests required for cattle in affected and exposed herds in CA should diminish as herds become free of the disease.

For these reasons, the Department is unable to determine the total number of businesses (outside of CA and within CA) impacted as a result of this proposal.

Number or percentage of total businesses impacted that are small businesses: This proposal amends the regulations to allow producers and veterinarians the choice of using either the proposed qPCR test, or the existing culture test, for the detection of trichomonosis in cattle. The total number or percentage of small businesses impacted as a result of this proposal can not accurately be determined for reasons stated in #1 above. However, the Department's Agricultural Resource Directory for 2007 estimates the number of cattle, number of operations and percentage of inventory in CA as follows:

# of Animals	# of Operations	% of Inventory
1 to 99	12,600	4.1%
100 to 499	2,000	8.5%
500 to 999	800	9.4%
1,000 + head	1,200	78%

B. Estimated Costs

1. Total statewide dollar costs that businesses and individuals may incur to comply with this regulation over its lifetime: This proposal amends the regulations to allow producers and veterinarians the choice of using either the proposed qPCR test, or the existing culture test, for the detection of trichomonosis in cattle. The Department is unable to determine the costs associated with using the proposed qPCR test (over its lifetime) as the veterinary costs (service call and procedures), producer's costs (gathering and securing the animals) and number of animals tested will vary from farm to farm and veterinary clinic to veterinary clinic. Additionally, it is unknown how many producers or veterinarians will choose to use the qPCR test instead of the culture test. The Department is, however, able to determine laboratory costs, costs that the laboratory will charge the producer or veterinarian should they choose to use the proposed qPCR test. One qPCR test costs approximately \$25.

3. Reporting requirements, annual costs. This proposal does not contain any additional record keeping or reporting requirements, however, the following paperwork requirement is projected to result from the proposed action:

Paperwork: This proposal contains paperwork requirements consisting of laboratory testing for trichomonosis in cattle. Any person conducting trichomonosis testing may incur costs. Required trichomonosis testing, using either the proposed qPCR test, or the existing culture test, is intended to control and possibly prevent a disease of cattle that will benefit California's cattle industry, promote healthy animals, and make the industry's products marketable both nationally and internationally.

C. Estimated Benefits

2. Benefits as a result of the goals developed by the agency based on broad statutory authority: This proposal amends the regulations to allow producers and veterinarians the choice of using either the proposed qPCR test, or the existing culture test, for the detection of trichomonosis in cattle. The Cattle Health Advisory Task Force created under Food and Agricultural Code section 10610, recommended that the Department additionally accept the qPCR testing procedure, in addition to the existing culture test, used for the detection of trichomonosis to bring California's program up to a level comparable with other states' trichomonosis programs and to encourage greater compliance at controlling trichomonosis within California's cattle industry. Incorporating the proposed qPCR testing into the existing Trichomonosis Control Program regulations will benefit producers and their veterinarians by giving them a choice between using the existing culture test and the proposed qPCR test. Polymerase Chain Reaction testing is a quicker way to determine if cattle are free of trichomonosis; cattle only need one (1) test rather than three (3) separate tests to be classified as negative.

3. Total statewide benefits from this regulation over its lifetime: The Department is unable to calculate a value for the benefits of this proposal, however this proposal overall will benefit California's cattle industry by authorizing the additional use of a testing procedure in this State that is commonly used throughout the US to detect trichomonosis.

D. Alternatives to the Regulation

4. Use of specific technologies or equipment, or prescribes specific actions or procedures: This proposal does not mandate the use of specific technologies or equipment; however, the livestock industry, veterinary medical practices, or diagnostic laboratories may require specific technologies or equipment.